国际贸易实务(双语版)

Chapter 8

Price of Goods

Chapter 8 Price of Goods

Teaching Plan 4

Teaching Contents

Section Three Price Calculation

1.Price conversion

1)Equations of price conversion

2)Price conversion

Teaching time: Two-class hour (90 minutes)

Learning Objectives

1.Understand the main equations of price conversion

2.Master price conversion

Chapter 8 Price of Goods
Teaching Plan 4

Important Points:

1)Equations of price conversion

2)Price conversion

Difficult Points:

1)Equations of price conversion

2)Price conversion

Teaching Methodology:

Questions and Answers; Presentation; Group discussion; case analysis

Teaching Aids:

PPT, blackboard, multimedia classroom

Section Three Price calculation

1.Price conversion

1)Equations

(1) CIF (CIP) price = CFR (CPT) price+ Premium

= FOB(FCA) price +freight + premium

(2) CFR (CPT) price= FOB(FCA) price +freight

=CIF (CIP) price– premium

(3) FOB(FCA) price = CIF (CIP) price–freight – Premium

=CFR (CPT) price – freight

Suppose CFR price is USD1000, freight 1s USD100 and premium is USD10, please make a new offer based on CIF.

CIF (CIP) price = CFR (CPT) price+ Premium

=1000+10

=USD1010

Section Three Price calculation

1.Price conversion

1)Equations

(1)FOB(FCA) is converted into CFR(CPT) or CIF(CIP)

① CFR(CPT)=FOB(FCA)+F

= FOB(FCA) +freight

② CIF (CIP)=FOB+F+I

=FOB(FCA) + freight + CIF (CIP)×(1+ rate of insurance addition)×premium rate

=FOB (FCA) + freight)/ [1- (1+ rate of insurance addition× premium rate)]

=FOB (FCA) + freight)/ (1- premium rate× insurance addition)

1.Price conversion

1)Equations

(2) CFR (CPT) is converted into FOB(FCA) or CIF (CIP)

① FOB(FCA)=CFR (CPT) -F

= CFR (CPT) - freight

②CIF (CIP) =CFR(CPT)+I

= CFR (CPT)+ premium

=CFR (CPT) / [1- premium rate×(1 + rate of insurance addition)]

=CFR (CPT) / (1- premium rate× insurance addition)

1.Price conversion

1)Equations

(3)CIF (CIP) is converted into CFR (CPT) or FOB(FCA)

① CFR (CPT)=CIF (CIP)-I

=CIF(CIP) - premium

=CIF (CIP) × [1- premium rate×(1 + rate of insurance addition)]

=CIF(CIP) ×(1- premium rate× insurance addition)

②FOB (FCA)=CIF (CIP)-F-I

=CIF (CIP) – freight – Premium

=CIF(CIP)-CIF(CIP)* [premium rate×(1 + rate of insurance addition)] -freight

= CIF(CIP)* [1- premium rate×(1 + rate of insurance addition)] -freight

1.Price conversion

1)Equations

Importance

CIF (CIP) = FOB(FCA)+F + I

= FOB(FCA)+freight + premium

= (FOB (FCA) + freight)/ [1- premium rate×(1 + rate of insurance addition)]

= (FOB (FCA) + freight)/ (1- premium rate × insurance addition)

1.Price conversion

2)Price conversion

Example 1

Suppose the unit price is USD1000/set CFR New York, the freight is USD100 per set and premium is USD10 per set, please make a new offer based on CIF New York.

CIF = CFR + Premium

=1000+10

=USD1010

So the new offer is USD1010 CIF New York.

1.Price conversion

2)Price conversion

Example 2

CIF price: USD 1000 per T New York, foreign freight from Guangzhou to New York: USD200/T, percentage of addition: 10%, premium rate:2%. Please calculate the new unit price ora make a new offer based on FOB Guangzhou

FOB=CIF-F-I

[I=CIF*Premium rate ×(1 +rate of insurance addition)]

=CIF × [1- Premium rate ×(1 +rate of insurance addition)]-freight

$=2000 \times [1- 2\% \times (1 +10\%)]-200$

$=2000 \times 0.978-200$

=USD1756.

So the new offer is USD1756/T FOB Guangzhou.

Thank You !